MFA among developing countries

2924. SHRI RUMANDLA RAMACHANDRAYYA: Will the Minister of TEXTILES be pleased to state:

(a) whether the US and the European Union have been applying the provisions of the Multi-Fibre Agreement differently among the developing countries while importing textile and apparel products;

(b) if so, whether the MFA, which came into the force from 1974, has sought to prop up Chinese exports much higher than those from India before imposing quotas on them;

(c) if so, the steps Government propose to take in this regard;

(d) whether the question has been taken up by India with both US and EU; and

(e) if so, their reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) to (e) Till December 31, 1994, the exports of textiles to certain developed countries including U.S.A., member countries of the European Union and Canada had been governed by bilateral textile agreements entered into between India and these countries under the aegis of the Multi-Fibre Arrangement (MFA), outside the rules of the General Agreement on Tariffs and Trade (GATT). With effect from January 1, 1995, the quantitative restrictions (import quotas) in the bilateral agreements under the MFA, are being governed by the Agreement on Textiles and Clothing (ATC) contained in the Final Act of the Uruguay Round negotiations of the GATT. Presently, our textiles and clothing exports face restraints in U.S.A., European Union and Canada.

One of the central elements of the Agreement on Textiles and Clothing (ATC) is the four-stage process for the progressive integration of textiles and clothing products as specified in the Annex to the ATC into GATT 1994 over a ten-year transition period. The integration process has however not led to any meaningful removal of quotas by the restraining countries so far. India has raised the issue of lack of progressive liberalization in international trade in textiles bilaterally and also at the World Trade Organization. In accordance with ATC, all the textile quotas would be phased out and textile sector fully integrated into WTO by 1st January 2005.

There is no material available to infer that MFA has sought to prop up Chinese exports much higher than those of India before imposing quotas on them.

Inadequate power supply affecting powerloom weavers

2925. DR. ALLADI P. RAJKUMAR: Will the Minister of TEXTILES be pleased to state:

(a) whether inadequate power supply is affecting the powerloom weavers adversely; and

(b) if so, the action proposed to support the powerloom weavers by better infrastructure and power supply?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) Yes, Sir. Lack of adequate power supply is one of the factors affecting the productivity of the powerloom sector.

(b) The Textile Centre Infrastructure Development Scheme (TCIDS), devised to improve infrastructural facilities at potential textile growth centers in order to remove bottlenecks in exports, has been modified to *inter-alia* cover new/emerging centers including powerloom clusters. Such Centres/clusters can utilise assistance under the scheme for strengthening infrastructure including power supply.

US move in WTO to block Indian textile exports

2926. SHRI K. NATWAR SINGH:
DR. T. SUBBARAMI REDDY:

Will the Minister of TEXTILES be pleased to state:

(a) whether the US has moved the WTO to block Indian textile exports;

(b) if so, whether the Washington have claimed that the products have attained export competitiveness and should be ineligible for concessions under the World Trade Organisation Agreement;

(c) whether India's eight-year transition period for gaining export competitiveness and removing all subsidies is due to end in 2003;